

UNCLASSIFIED		CONFIDENTIAL		SECRET	
OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	DATE	INITIALS		
1	Mr. 		<i>[Signature]</i>		
2	Rm. 7D-49 Hqs.				
3					
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6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Att: DD/A 					
Remarks: <p style="margin-left: 40px;">I thought you would be interested in the attached memos relating to the omnibus tax bill.</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
 EO-DDA 7D-26 					8/15/75
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FORM NO. 237
1-67

Use previous editions

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13 AUG 1975

Mr. John F. Blake
Deputy Director for Administration
Central Intelligence Agency
Room 7D26 - Headquarters Bldg.
Washington, D. C. 20505

Dear Mr. Blake: *Jack*

I am enclosing for your information a copy of a letter dated August 5, 1975 from the Acting Secretary of Treasury, Stephen S. Gardner, in response to Secretary Kissinger's letter of July 12, 1975 to Secretary Simon relating to the taxation of allowances paid to government civilian employees serving overseas.

Sincerely,

James Stromayer
Director
Allowances Staff

Enclosure:

As stated

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

AUG 5 1975


Dear Mr. Secretary:

Thank you for your letter of July 12, 1975, to Secretary Simon, relating to the taxation of allowances paid to government civilians serving overseas.

As you know, we have been working with the Inter-Agency Committee on this matter for some time. The questions are very complex, and there is no obvious answer. We recognize that, as you point out, there has been no intention to give overseas employees' advantages over their colleagues who serve at home. However, it is not at all clear that advantages have not in fact been given, and in any event it is difficult to justify treatment for government employees which differs from treatment of private employees.

The most immediate concern, of course, is the consideration of this issue by the Ways and Means Committee during its tax reform deliberations. We believe that the best course to pursue at this stage is for Treasury to inform the Committee formally of the work of the Inter-Agency Committee and to suggest that consideration of this matter be delayed until the Inter-Agency Committee has completed its work.

Sincerely yours,


Stephen S. Gardner
Acting Secretary

The Honorable
Henry A. Kissinger
Secretary, Department of State
Washington, D. C. 20520

cc: Hon. James T. Lynn
Director, OMB